

Colorado River Board of Cooperative Educational Services

Parachute, Colorado

Financial Report

June 30, 2024



Colorado River Board of Cooperative Educational Services

Parachute, Colorado

**Roster of Officials
June 30, 2024**

BOARD

| School District | Superintendent | Board Member |
|-------------------------------------|-----------------------|-----------------------------|
| De Beque School District 49JT | Audra Lane | Dustin Sandidge |
| Garfield County School District 16 | Jennifer Baugh | Vincent Tomasulo, President |
| Garfield County School District Re2 | Heather Grumley | Tony May |
| Roaring Fork School District | Anna Cole | Kenny Teitler |
| Aspen School District | David Baugh | TBD |
| Director At Large | Vacant | Vacant |

ADMINISTRATIVE

Dr. Ken Haptonstall, Executive Director
Jennifer Rhoades, CFO
Denise Rahe, Director of Special Education
Kristy Slife, Director of Special Education
Dr. Leigh McGown, YMHS Principal

**Colorado River Board of Cooperative Educational Services
Financial Report
June 30, 2024**

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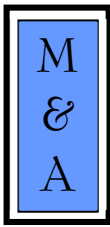
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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Colorado River Board of Cooperative Educational Services
Parachute, CO**

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado River Board of Cooperative Educational Services (the "BOCES"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the BOCES's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the BOCES as of June 30, 2024 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the BOCES and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The BOCES's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the BOCES's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Colorado River Board of Cooperative Educational Services
Parachute, CO

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BOCES's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the BOCES' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis in section B, Schedule of the BOCES' Proportionate Share of the Net Pension Liability, the Schedule of BOCES Pension Contributions, the Schedule of the BOCES' Proportionate Share of the Other Post-employment Benefits Liability, the Schedule of BOCES Other Post-Employment Benefit Contributions, and the Notes to the Required Supplemental Information in Section E be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in section B and section E in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Colorado River Board of Cooperative Educational Services
Parachute, CO

Required Supplementary Information (continued)

The budgetary comparison information in Section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the BOCES's basic financial statements. The Auditor's Electronic Financial Data Integrity Check Figures in Section F, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section (Section G) listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Auditor's Electronic Financial Data Integrity Check Figures and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
December 2, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS



**Colorado River Board of Cooperative Educational Services
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2024**

As management of the Colorado River Board of Cooperative Educational Services (the "BOCES"), we offer readers of the BOCES' financial statements this narrative overview and analysis of the financial activities of the BOCES for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the BOCES' financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of the BOCES were exceeded by its liabilities and deferred inflows as of June 30, 2024 by \$3,149,094 resulting in a deficit net position. Due to the long-term obligation for pension and other post-employment obligations, the BOCES was not able to report a positive amount for unrestricted net position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the BOCES' basic financial statements. The BOCES' basic financial statements have three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the BOCES' finances, using accounting methods similar to those used by a private-sector business.

The Statement of Net Position presents information on all the BOCES' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the BOCES is improving or deteriorating.

The Statement of Activities presents information showing how the BOCES' net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the BOCES that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The BOCES only reports governmental activities.

- **Governmental activities:** The BOCES' basic services are included here, such as instructional services, support services, student activities, activities relating to building maintenance and operations, technology and administration.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the operations of the BOCES by fund instead of the BOCES as a whole.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The BOCES' only funds are governmental funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The combined government-wide and fund financial statements can be found on pages C1 – C2 of this report. A reconciliation to facilitate a comparison between governmental funds and governmental activities is shown in Note II of the Notes to the Financial Statements on pages D7 – D8 of this report.

The BOCES adopts an annual appropriated budget for its funds. Budgetary comparison schedules have been provided to demonstrate compliance with state budget statutes on pages E1 – E2.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found at section D of this report.

Government-wide Financial Analysis:

The following table provides a comparative summary of the BOCES' net position as of June 30, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|-----------------------------------|-----------------------|--------------------|
| Assets: | | |
| Current and other assets | \$ 4,617,773 | 4,312,320 |
| Capital assets | 1,593,683 | 1,342,076 |
| Total Assets | <u>6,211,456</u> | <u>5,654,396</u> |
| Deferred Outflows: | | |
| Pension related deferred outflows | 3,791,684 | 1,907,022 |
| OPEB related deferred outflows | 142,582 | 137,102 |
| Total Deferred Outflows | <u>3,934,266</u> | <u>2,044,124</u> |
| Liabilities: | | |
| Other liabilities | 2,524,352 | 2,522,551 |
| Long-term liabilities | 10,667,921 | 7,468,112 |
| Total Liabilities | <u>13,192,273</u> | <u>9,990,663</u> |
| Deferred Inflows: | | |
| Pension related deferred inflows | 19,657 | 34,218 |
| OPEB related deferred inflows | 82,886 | 93,561 |
| Total Deferred Inflows | <u>102,543</u> | <u>127,779</u> |
| Net Position: | | |
| Net investment in capital assets | 1,593,683 | 1,342,076 |
| Unrestricted | <u>(4,742,777)</u> | <u>(3,761,998)</u> |
| Total Net Position | <u>\$ (3,149,094)</u> | <u>(2,419,922)</u> |

Of total assets, 26% are capital assets (e.g. buildings and improvements, vehicles, and equipment). This is comparable to 24% in 2023. The BOCES uses these assets to provide instruction and related services to member districts.

Note that net position may serve as an indicator of the BOCES' financial position over time. The BOCES' net position for governmental activities has decreased during the current year (see further discussion below).

The following table presents a summary of activities and changes in net position for the fiscal year ended June 30, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|-----------------------|--------------------|
| Revenues: | | |
| Charges for services | \$ 3,859,522 | 3,071,438 |
| Operating grants | 8,090,385 | 7,434,619 |
| Interest income | 2,222 | 752 |
| Student activities | 76,709 | 65,290 |
| Gain on sale of assets | - | 15,818 |
| Miscellaneous | 636,980 | 362,117 |
| Total Revenues | <u>12,665,818</u> | <u>10,950,034</u> |
| Expenditures/Expenses: | | |
| Instruction | 10,895,839 | 9,690,197 |
| Supporting services | 2,341,251 | 2,117,129 |
| Community services | 38,030 | 39,587 |
| Student activities | 119,870 | 73,653 |
| Total Expenditures/Expenses | <u>13,394,990</u> | <u>11,920,566</u> |
| Change in Net Position | (729,172) | (970,532) |
| Net Position - Beginning | <u>(2,419,922)</u> | <u>(1,449,390)</u> |
| Net Position - Ending | <u>\$ (3,149,094)</u> | <u>(2,419,922)</u> |

Governmental Activities: Net position from governmental activities decreased by \$729,172. This decrease is primarily due to an increase in instruction-related expenses and supporting service expenses during the current year, partially offset by increased grant revenues.

The majority of BOCES' operating revenues are generated from assessments billed to member districts. BOCES also receives significant funding from State and Federal operating grants and contributions.

Financial Analysis of the BOCES' Funds

The BOCES utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the BOCES' governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the BOCES' financing requirements. In particular, unrestricted fund balances may serve as a useful measure of the BOCES' net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the BOCES' governmental funds reported total ending fund balance of \$2,093,421, an increase of \$303,652 from the prior year total ending fund balance.

General Fund Budgetary Highlights: The BOCES' budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The original budget is prepared based on an estimate of member districts' student count and services. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. Original and final adopted budgets, as well as variances between actual revenues, expenditures, and final budgeted amounts are reflected on page E1 of the audited financial statements.

Capital Assets: The BOCES' investment in capital assets for governmental activities as of June 30, 2024 amounts to \$1,593,683 (net of accumulated depreciation). This investment in capital assets includes buildings and improvements, vehicles, and equipment.

Additional information as well as a detailed classification of the BOCES' net capital assets can be found in the Notes to the Financial Statements section of this report.

Long-Term Liabilities: As of June 30, 2024, the BOCES has outstanding long-term debt of \$10,667,921. This includes the Net Pension Liability of \$10,416,492 and the Net OPEB Liability of \$251,429.

Additional information, as well as a detailed classification of the BOCES' total long-term liabilities, can be found in the Notes to the Financial Statements section of this report.

Next Year's Budget and Fund Balance: The fund balance for the BOCES' General Fund at the end of fiscal year 2024 was \$2,012,672. The BOCES budgeted revenues exceed budgeted expenditures by \$152,506 in the General Fund for fiscal year 2025.

Request for Information

This financial report is designed to provide a general overview of the BOCES' finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Business Manager at P. O. Box 68, Parachute, Colorado 81635.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS /
FUND FINANCIAL STATEMENTS**



Colorado River Board of Cooperative Educational Services
Balance Sheet / Statement of Net Position
June 30, 2024

| | <u>General Fund</u> | <u>Student Activity Fund</u> | <u>Total</u> | <u>Adjustments</u> | <u>Statement of Net Position</u> |
|---|-------------------------|--------------------------------------|------------------|--------------------|--------------------------------------|
| Assets: | | | | | |
| Cash and cash equivalents | 1,244,366 | 80,749 | 1,325,115 | - | 1,325,115 |
| Accounts receivable, net of allowance | 1,760,099 | - | 1,760,099 | - | 1,760,099 |
| Grants receivable | 1,531,207 | - | 1,531,207 | - | 1,531,207 |
| Prepaid expenses | 1,352 | - | 1,352 | - | 1,352 |
| Capital assets, net of accumulated depreciation | - | - | - | 1,593,683 | 1,593,683 |
| Total Assets | <u>4,537,024</u> | <u>80,749</u> | <u>4,617,773</u> | <u>1,593,683</u> | <u>6,211,456</u> |
| Deferred Outflows: | | | | | |
| Deferred pension expenses | - | - | - | 3,791,684 | 3,791,684 |
| Deferred OPEB expenses | - | - | - | 142,582 | 142,582 |
| Total Deferred Outflows | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,934,266</u> | <u>3,934,266</u> |
| Liabilities: | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 1,077,865 | - | 1,077,865 | - | 1,077,865 |
| Accrued payroll and related liabilities | 1,046,436 | - | 1,046,436 | - | 1,046,436 |
| Unearned grant revenues | 400,051 | - | 400,051 | - | 400,051 |
| Total Current Liabilities | <u>2,524,352</u> | <u>-</u> | <u>2,524,352</u> | <u>-</u> | <u>2,524,352</u> |
| Noncurrent Liabilities: | | | | | |
| Net pension liability | - | - | - | 10,416,492 | 10,416,492 |
| Net OPEB liability | - | - | - | 251,429 | 251,429 |
| Total Noncurrent Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,667,921</u> | <u>10,667,921</u> |
| Total Liabilities | <u>2,524,352</u> | <u>-</u> | <u>2,524,352</u> | <u>10,667,921</u> | <u>13,192,273</u> |
| Deferred Inflows: | | | | | |
| Deferred pension expenses | - | - | - | 19,657 | 19,657 |
| Deferred OPEB expenses | - | - | - | 82,886 | 82,886 |
| Total Deferred Inflows | <u>-</u> | <u>-</u> | <u>-</u> | <u>102,543</u> | <u>102,543</u> |
| Fund Balances / Net Position: | | | | | |
| Fund Balance: | | | | | |
| Non-spendable | 1,352 | - | 1,352 | (1,352) | |
| Assigned | 378,908 | 123,911 | 502,819 | (502,819) | |
| Unassigned | 1,632,412 | (43,162) | 1,589,250 | (1,589,250) | |
| Total Fund Balance | <u>2,012,672</u> | <u>80,749</u> | <u>2,093,421</u> | <u>(2,093,421)</u> | |
| Total Liabilities, Deferred Inflows and Fund Balance | <u>4,537,024</u> | <u>80,749</u> | <u>4,617,773</u> | | |
| Net Position (Deficit): | | | | | |
| Net investment in capital assets | | | | 1,593,683 | 1,593,683 |
| Unrestricted | | | | (4,742,777) | (4,742,777) |
| Total Net Position | | | | <u>(3,149,094)</u> | <u>(3,149,094)</u> |

The accompanying notes are an integral part of these financial statements.

Colorado River Board of Cooperative Educational Services
Statement of Revenues, Expenditures and
Changes in Fund Balance / Statement of Activities
For the Year Ended June 30, 2024

| | General Fund | Student Activity Fund | Total | Adjustments | Statement of Activities |
|---|-------------------|-----------------------------|-------------------|------------------|----------------------------|
| Revenues: | | | | | |
| Services provided to Districts | 3,859,522 | - | 3,859,522 | - | 3,859,522 |
| Federal operating grants and contributions | 3,320,795 | - | 3,320,795 | - | 3,320,795 |
| State operating grants and contributions | 4,281,121 | - | 4,281,121 | 21,380 | 4,302,501 |
| Intermediate operating grants and contributions | 96,633 | - | 96,633 | - | 96,633 |
| Other operating grants and contributions | 370,456 | - | 370,456 | - | 370,456 |
| Interest income | 2,222 | - | 2,222 | - | 2,222 |
| Student Activities | - | 76,709 | 76,709 | - | 76,709 |
| Miscellaneous | 636,980 | - | 636,980 | - | 636,980 |
| Total Revenues | <u>12,567,729</u> | <u>76,709</u> | <u>12,644,438</u> | <u>21,380</u> | <u>12,665,818</u> |
| Expenditures / Expenses: | | | | | |
| Direct instruction | 4,992,208 | - | 4,992,208 | 280,172 | 5,272,380 |
| Indirect instruction | 5,127,844 | - | 5,127,844 | 495,615 | 5,623,459 |
| General administration | 764,744 | - | 764,744 | 127,232 | 891,976 |
| Support services | 965,516 | - | 965,516 | 162,462 | 1,127,978 |
| Operations and maintenance | 131,310 | - | 131,310 | 16,736 | 148,046 |
| Transportation | 202,179 | - | 202,179 | (35,248) | 166,931 |
| Community service | 30,795 | - | 30,795 | 7,235 | 38,030 |
| Other | 6,320 | - | 6,320 | - | 6,320 |
| Student Activities | - | 119,870 | 119,870 | - | 119,870 |
| Total Expenditures / Expenses | <u>12,220,916</u> | <u>119,870</u> | <u>12,340,786</u> | <u>1,054,204</u> | <u>13,394,990</u> |
| Change in Fund Balance / Net Position | 346,813 | (43,161) | 303,652 | (1,032,824) | (729,172) |
| Fund Balance / Net Position: | | | | | |
| Beginning of the year | <u>1,665,859</u> | <u>123,910</u> | <u>1,789,769</u> | | <u>(2,419,922)</u> |
| End of the year | <u>2,012,672</u> | <u>80,749</u> | <u>2,093,421</u> | | <u>(3,149,094)</u> |

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS



Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024

I. Summary of Significant Accounting Policies

Colorado River Board of Cooperative Educational Services (the “BOCES”) was formed in July 2017 by an intergovernmental agreement approved by Mountain Board of Cooperative Educational Services (“Mountain BOCES”). The agreement called for the transfer of operations of the West Group school districts from Mountain BOCES. BOCES collects member assessments from its four member school districts, some outlying districts, charter schools and private schools to provide services common to each on a basis that is more economical than if the same services were provided by each member district individually. Administrative costs are borne equally by the districts. Other costs and services provided by the BOCES are charged to each district based upon individual needs and their student population.

The BOCES’ Board of Directors consists of one member of each participating district. Each district except for Roaring Fork School District RE-1 has equal voting rights on matters concerning the administrative unit. All member districts have equal voting rights on remaining matters.

The BOCES’ financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the BOCES are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the BOCES, and (b) organizations for which the BOCES is financially accountable. The BOCES is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the BOCES. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the BOCES. Organizations for which the nature and significance of their relationship with the BOCES are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity. Based upon the above criteria, the BOCES is not financially accountable for any other organization. No additional separate governmental units, agencies or nonprofit organizations are included the financial statements of the BOCES.

The BOCES receives funding from local, state and federal government sources and must comply with all the requirements of these funding sources. However, the BOCES is not included in any other governmental reporting entity.

B. Government-wide and Fund Financial Statements

1. Government-wide Financial Statements

The BOCES’ basic financial statements include both government-wide (financial activities of the overall BOCES) and fund financial statements (reporting the BOCES’ major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The BOCES does not have any business-type activities, only governmental activities. Governmental activities generally are financed through fees charged for services, intergovernmental revenues, and other non-exchange transactions.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

In the government-wide Balance Sheet and Statement of Net Position, the Statement of Net Position column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The BOCES' net position is reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide focus is on the sustainability of the BOCES as an entity and the change in the BOCES' net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the BOCES are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures / expenses. The fund focus is on current available resources and budget compliance.

The BOCES reports the following major governmental funds:

The *General Fund* is the BOCES' primary operating fund. It accounts for all financial resources of the BOCES, except those required to be accounted for in another fund.

The *Student Activity Fund* is a special revenue fund that accounts for resources generated by and utilized for students at Yampah Mountain High School.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis

The BOCES' fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. The BOCES considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

2. Receivables

The BOCES uses the allowance method for recognition of uncollectible receivables, whereby an allowance for possible uncollectibility is established when collection becomes doubtful.

3. Capital Assets

Capital assets, which include buildings and improvements, vehicles and other equipment, are reported in the government-wide financial statements. The BOCES defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at the acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed asset, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

3. Capital Assets (continued)

Buildings and improvements, vehicles and equipment are depreciated using the straight-line method over the following estimated useful lives:

| <u>Capital Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 10 - 45 |
| Vehicles and equipment | 3 - 20 |

4. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statements of Net Position. In the fund financial statements, the BOCES records the face amount of debt issued as other financing sources.

5. Pensions

The BOCES participates in the School Division Trust Fund ("SCHDTF"), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

6. Other Post Employment Benefit (OPEB) Plan

The BOCES participates in the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by the PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The BOCES has two items that qualify for reporting in this category, the pension related and OPEB related deferred outflows.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The BOCES has two types of items that qualify for reporting in this category, pension related and OPEB related deferred inflows.

See Note IV (E) and Note IV (F) below for discussion on pension related and OPEB related deferred outflows and inflows.

8. Fund Balance and Fund Classifications

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The BOCES classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Fund Balance and Fund Classifications (continued)

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The BOCES uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the BOCES first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

9. State Equalization Aid

State equalization aid is revenue received from the State of Colorado computed in accordance with a funding formula as defined by State statute. The funding formula considers such factors as pupil enrollment and other revenue sources.

10. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the BOCES' management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

11. Comparative Information

These financial statements include certain prior year comparative information which have been reclassified in the 2024 financial statements. Accordingly, such information should be read in conjunction with the BOCES' financial statements for the year ended June 30, 2023; from which such comparative totals were derived.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

II. Reconciliation of government-wide and Fund Financial Statements

A. Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet and government-wide Statement of Net Position includes an adjustment column. Explanations of adjustments included in this column are as follows:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

| | |
|--------------------------|--------------|
| Capital assets | \$ 2,980,891 |
| Accumulated depreciation | (1,387,208) |

Changes in pension and OPEB related actuarial assumptions, proportion of collective pension and OPEB amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan and Health Care Trust Fund are recorded as deferred inflows or outflows of resources and amortized over the average remaining service life of all active and inactive plan members.

| | |
|---|--------------|
| Unamortized pension-related deferred outflows | \$ 3,791,684 |
| Unamortized pension-related deferred inflows | (19,657) |
| Unamortized OPEB-related deferred outflows | 142,582 |
| Unamortized OPEB-related deferred inflows | (82,886) |

Long-term liabilities, including net pension and OPEB liability, loans payable and accrued interest are not due and payable in the current period and therefore, are not reported in the governmental funds.

| | |
|-----------------------|-----------------|
| Net pension liability | \$ (10,416,492) |
| Net OPEB liability | (251,429) |

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

II. Reconciliation of government-wide and Fund Financial Statements (continued)

B. Explanation of differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and government-wide Statement of Activities includes an adjustment column. Explanations of adjustments included in this column are as follows:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|----------------------|----|-----------|
| Capital outlay | \$ | 432,895 |
| Depreciation expense | | (181,288) |

Changes in the BOCES' net pension related and OPEB related liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes differences between employer contributions to the pension plan or Health Care Trust Fund and amortization of pension-related and OPEB-related deferrals.

| | | |
|---|----|-------------|
| Change in net pension liability | \$ | (3,194,268) |
| Change in unamortized pension-related deferred outflows | | 1,884,662 |
| Change in unamortized pension-related deferred inflows | | 14,561 |
| Change in net OPEB liability | | (5,541) |
| Change in unamortized OPEB-related deferred outflows | | 5,480 |
| Change in unamortized OPEB-related deferred inflows | | 10,675 |

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with GAAP. As required by Colorado Statutes, all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. All appropriations lapse at year-end.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgets and Budgetary Accounting (continued)

As required by Colorado Statutes, the BOCES followed the required timetable noted below in preparing, approving, and enacting its budget for fiscal year 2024:

1. The proposed budget was submitted to the Board of Education by May 31 of the year proceeding the budget year. The proposed budget must include a description of major educational objectives and how the proposed budget fulfills those objectives.
2. Notice was published within ten (10) days which contained: availability of proposed budget for inspection, date and time of budget adoption meeting, and that any County taxpayer may file objections prior to the adoption of the budget.
3. The Board of Education certified revenue requirements to the local County Commissioners prior to December 15.
4. The final budget was adopted prior to June 30, along with an appropriation resolution.

The BOCES' Student Activity Fund had expenditures in excess of appropriations. This may be a violation of state statute

B. TABOR Amendment – Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

The amendment does not specifically address BOCES. However, several legal opinions have been issued stating that a BOCES itself is not subject to the requirements and restrictions of the TABOR amendment. There have been several recent court cases with organizations similar to BOCES, where the court has found that these organizations are not subject to TABOR since they are not a municipality and do not exercise independent "Government" power. However, in virtually all situations, a BOCES will be impacted to the degree that their member districts are impacted by the restrictions of TABOR. A BOCES does not need to maintain emergency reserves required by TABOR, and expenditures can fluctuate independently of TABOR.

IV. Detailed Notes on all Funds

A. Deposits

The BOCES' deposits are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the BOCES' deposits at each financial institution. All deposit balances over \$250,000 are collateralized as required by PDPA.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits (continued)

The deposits held by the BOCES at June 30, 2024, were as follows:

| | <u>Standard and Poor's Rating</u> | <u>Carrying Amounts</u> | <u>Maturities</u> | |
|------------------|---------------------------------------|-----------------------------|-------------------------------|---------------------------------|
| | | | <u>Less than One Year</u> | <u>Less than Five Years</u> |
| Deposits: | | | | |
| Checking | Not rated | \$ 1,325,115 | 1,325,115 | - |
| | | <u>\$ 1,325,115</u> | <u>1,325,115</u> | <u>-</u> |

Credit Risk. Colorado statutes specify instruments in which local governments may invest, including:

- Obligations of the U.S. and certain U.S. governmental agency securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

B. Receivables

Receivables as of year-end for the BOCES' funds, including applicable allowances for uncollectible accounts (no allowance recorded as of June 30, 2024), are as follows:

| | <u>General Fund</u> | <u>Student Activity Fund</u> |
|-----------------------------|---------------------|----------------------------------|
| Current Receivables: | | |
| Accounts receivable | \$ 1,760,099 | - |
| Grants receivable | 1,531,207 | - |
| Gross receivables | <u>3,291,306</u> | <u>-</u> |
| Total | <u>\$ 3,291,306</u> | <u>-</u> |

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Capital assets, being depreciated: | | | | |
| Buildings and building improvements | \$ 1,812,082 | - | - | 1,812,082 |
| Vehicles and equipment | 755,994 | 432,895 | (20,080) | 1,168,809 |
| Total capital assets, being depreciated | <u>2,568,076</u> | <u>432,895</u> | <u>(20,080)</u> | <u>2,980,891</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and building improvements | (830,253) | (50,058) | - | (880,311) |
| Vehicles and equipment | (395,747) | (131,230) | 20,080 | (506,897) |
| Total accumulated depreciation | <u>(1,226,000)</u> | <u>(181,288)</u> | <u>20,080</u> | <u>(1,387,208)</u> |
| Total Capital Assets, Net | <u>\$ 1,342,076</u> | <u>251,607</u> | <u>-</u> | <u>1,593,683</u> |

The BOCES' had capital outlay and depreciation expense for the following functions:

| Function: | <u>Capital Outlay</u> | <u>Depreciation Expense</u> |
|----------------------------|---------------------------|---------------------------------|
| Direct instruction | \$ 331,133 | 129,035 |
| Operations and maintenance | - | 11,083 |
| Transportation | 101,762 | 41,170 |
| Total Depreciation | <u>\$ 432,895</u> | <u>181,288</u> |

D. Long-term Debt – Governmental Activities

1. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2024:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|-----------------------|------------------------------|------------------|------------------|---------------------------|--------------------------------|
| Net pension liability | \$ 7,222,224 | 3,194,268 | - | 10,416,492 | - |
| Net OPEB liability | 245,888 | 5,541 | - | 251,429 | - |
| | <u>\$ 7,468,112</u> | <u>3,199,809</u> | <u>-</u> | <u>10,667,921</u> | <u>-</u> |

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Plan Description: Eligible employees of the BOCES are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (“ACFR”) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2023: PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee’s member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (“DPS”) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Benefits provided as of December 31, 2023 (continued): Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (“AAP”) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (“AI”) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (“AIR”) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contribution provisions as of June 30, 2024: Eligible employees of, the BOCES and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

| | July 1, 2023 Through June 30, 2024 |
|--|---|
| Employer contribution rate | 11.40% |
| Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) | (1.02)% |
| Amount apportioned to the SCHDTF | 10.38% |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 | 4.50% |
| Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 | 5.50% |
| Total employer contribution rate to Trust Fund | 20.38% |

**Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Contribution provisions as of June 30, 2024 (continued): Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the BOCES is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the BOCES were \$834,210 for the year ended June 30, 2024.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of \$14.561 million for 2023 only.

The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the total pension liability to December 31, 2023. The BOCES' proportion of the net pension liability was based on the BOCES' contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024, the BOCES reported a liability of \$10,416,492 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the BOCES as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the BOCES were as follows:

| | |
|---|---------------|
| The BOCES' proportionate share of the net pension liability | \$ 10,416,492 |
| The State's proportionate share of the pension liability as a nonemployer contributing entity associated with the BOCES | 223,502 |
| | 223,502 |
| Total | \$ 10,639,994 |

At December 31, 2023, the BOCES' proportionate share was 0.0589%, which was an increase of 48.5188% from its proportion of 0.0397% measured at December 31, 2022.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Contribution provisions as of June 30, 2024 (continued): For the year ended June 30, 2024, the BOCES recognized pension expense (revenue) of (\$1,316,425) and revenue (expense) of (\$21,380) for support from the State as a nonemployer contributing entity.

Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference between expenses and actual experience | \$ 493,939 | - |
| Net difference between projected and actual earnings on plan investments | 746,701 | - |
| Changes in proportionate share of contributions | 2,108,404 | (19,657) |
| Contributions subsequent to measurement date | 442,640 | - |
| | \$ 3,791,684 | (19,657) |

\$442,640 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date of December 31, 2023, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025 measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | Amortization |
|--------------------------------|---------------------|
| 2025 | \$ 1,147,282 |
| 2026 | 1,401,727 |
| 2027 | 988,576 |
| 2028 | (208,198) |
| | \$ 3,329,387 |

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions: The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | |
|---|---|
| Actuarial cost method | Entry age |
| Price inflation | 2.30% |
| Real wage growth | 0.70% |
| Wage inflation | 3.00% |
| Salary increases, including wage inflation | 3.40% - 11.00% |
| Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Post-retirement benefit increases: | |
| PERA Benefit Structure hired prior to 1/1/07 and DPS Benefit Structure (compounded annually) | 1.00% |
| PERA Benefit Structure hired prior to 12/31/06 ¹ | Financed by the Annual Increase Reserve ("AIR") |

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based on the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| Asset Class | Target Allocation | 30 Year Expected Geometric Real Rate of Return |
|--------------------|--------------------------|---|
| Global Equity | 54.00% | 5.60% |
| Fixed Income | 23.00% | 1.30% |
| Private Equity | 8.50% | 7.10% |
| Real Estate | 8.50% | 4.40% |
| Alternatives | 6.00% | 4.70% |
| Total | 100.00% | |

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Discount rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Discount rate (continued): Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the BOCES' proportionate share of the net pension liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|------------------------|----------------------------------|------------------------|
| Proportionate share of net pension liability | \$ 13,928,583 | 10,416,492 | 7,487,834 |

Pension plan fiduciary net position: Detailed information about the SCHDTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources

Plan description: Eligible employees of the BOCES are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available ACFR that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided: The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Benefits provided (continued): C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure: The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure: The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

DPS Benefit Structure (continued): For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Contributions: Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the BOCES is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the BOCES were \$41,751 for the year ended June 30, 2024.

Liabilities: At June 30, 2024, the BOCES reported a liability of \$251,429 for its proportionate share of net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023. The BOCES proportion of the net OPEB liability was based on BOCES contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the BOCES proportion was 0.0352%, which was an increase of 16.9745% from its proportion of 0.0301% measured as of December 31, 2022.

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2024, the BOCES recognized OPEB expense (revenue) of \$10,614. At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference between expenses and actual experience | \$ - | (51,533) |
| Change of assumptions or other inputs | 2,957 | (26,660) |
| Net difference between projected and actual earnings on plan investments | 7,776 | - |
| Changes in proportionate share of contributions | 109,695 | (4,693) |
| Contributions subsequent to measurement date | 22,154 | - |
| | \$ 142,582 | (82,886) |

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (continued): \$22,154, reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended | Amortization |
|-------------------|---------------------|
| June 30, | |
| 2025 | \$ (4,656) |
| 2026 | 6,707 |
| 2027 | 19,273 |
| 2028 | 6,100 |
| 2029 | 6,770 |
| 2030 | 3,348 |
| | \$ 37,542 |

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Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions: The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | <u>State Division</u> | <u>School Division</u> | <u>Local Government Division</u> | <u>Judicial Division</u> |
|--|---------------------------|----------------------------|--|------------------------------|
| Actuarial cost method | | | Entry age | |
| Price inflation | | | 2.30% | |
| Real wage growth | | | 0.70% | |
| Wage inflation | | | 3.00% | |
| Salary increases, including wage inflation: | | | | |
| Members other than Safety Officers | 3.30% - 10.90% | 3.40% - 11.00% | 3.20% - 11.30% | 2.80% - 5.30% |
| Safety Officers | 3.20% - 12.40% | N/A | 3.20% - 12.40% | N/A |
| Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation | | | 7.25% | |
| Discount rate | | | 7.25% | |
| Health care cost trend rates | | | | |
| PERA benefit structure: | | | | |
| Service-based premium subsidy | | | 0.00% | |
| PERACare Medicare plans ¹ | | | 7.00% in 2023 gradually decreasing to 4.50% in 2033 | |
| Medicare Part A Premiums | | | 3.50% in 2023, gradually increasing to 4.50% in 2035 | |
| DPS benefit structure: | | | | |
| Service-based premium subsidy | | | 0.00% | |
| PERACare Medicare plans | | | N/A | |
| Medicare Part A Premiums | | | N/A | |

¹UnitedHealthcare MAPD PPO plans are 0% for 2023.

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued):

| Age-Related Morbidity Assumptions | | |
|--|-------------------------------|---------------------------------|
| Participant Age | Annual Increase (Male) | Annual Increase (Female) |
| 65 - 68 | 2.2% | 2.3% |
| 69 | 2.8% | 2.2% |
| 70 | 2.7% | 1.6% |
| 71 | 3.1% | 0.5% |
| 72 | 2.3% | 0.7% |
| 73 | 1.2% | 0.8% |
| 74 | 0.9% | 1.5% |
| 75 - 85 | 0.9% | 1.3% |
| 86 and older | 0.0% | 0.0% |

| Sample Age | MAPD PPO #1 with Medicare Part A Retiree/Spouse | | MAPD PPO #2 with Medicare Part A Retiree/Spouse | | MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse | |
|-------------------|--|---------------|--|---------------|--|---------------|
| | Male | Female | Male | Female | Male | Female |
| 65 | \$ 1,692 | \$ 1,406 | \$ 579 | \$ 481 | \$ 1,913 | \$ 1,589 |
| 70 | 1,901 | 1,573 | 650 | 538 | 2,149 | 1,778 |
| 75 | 2,100 | 1,653 | 718 | 566 | 2,374 | 1,869 |

| Sample Age | MAPD PPO #1 without Medicare Part A Retiree/Spouse | | MAPD PPO #2 without Medicare Part A Retiree/Spouse | | MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse | |
|-------------------|---|---------------|---|---------------|---|---------------|
| | Male | Female | Male | Female | Male | Female |
| 65 | \$ 6,469 | \$ 5,373 | \$ 4,198 | \$ 3,487 | \$ 6,719 | \$ 5,581 |
| 70 | 7,266 | 6,011 | 4,715 | 3,900 | 7,546 | 6,243 |
| 75 | 8,026 | 6,319 | 5,208 | 4,101 | 8,336 | 6,563 |

The 2023 Medicare Part A premium is \$506 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

| <u>Year</u> | <u>PERACare Medicare Plans</u> | <u>Medicare Part A Premiums</u> |
|-------------|------------------------------------|-------------------------------------|
| 2023 | 7.00% | 3.50% |
| 2024 | 6.75% | 3.50% |
| 2025 | 6.50% | 3.75% |
| 2026 | 6.25% | 3.75% |
| 2027 | 6.00% | 4.00% |
| 2028 | 5.75% | 4.00% |
| 2029 | 5.50% | 4.00% |
| 2030 | 5.25% | 4.25% |
| 2031 | 5.00% | 4.25% |
| 2032 | 4.75% | 4.25% |
| 2033 | 4.50% | 4.25% |
| 2034 | 4.50% | 4.25% |
| 2035+ | 4.50% | 4.50% |

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the BOCES were based upon the PubT-2010 Health Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| Asset Class | Target Allocation | 30 Year Expected Geometric Real Rate of Return |
|--------------------|--------------------------|---|
| Global Equity | 54.00% | 5.60% |
| Fixed Income | 23.00% | 1.30% |
| Private Equity | 8.50% | 7.10% |
| Real Estate | 8.50% | 4.40% |
| Alternatives | 6.00% | 4.70% |
| Total | 100.00% | |

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Sensitivity of the BOCES' proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates: The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

| | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
|---------------------------------------|---------------------------------------|--------------------------------|---------------------------------------|
| Initial PERACare Medicare trend rate | 5.75% | 6.75% | 7.75% |
| Ultimate PERACare Medicare trend rate | 3.50% | 4.50% | 5.50% |
| Initial Medicare Part A trend rate | 2.50% | 3.50% | 4.50% |
| Ultimate Medicare Part A trend rate | 3.50% | 4.50% | 5.50% |
| Net OPEB Liability | \$ 244,213 | \$ 251,429 | \$ 259,279 |

Discount rate: The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Discount rate (continued):

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the BOCES' proportionate share of the net OPEB liability to changes in the discount rate: The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|--------------------------------|--|--------------------------------|
| Proportionate share of the net OPEB liability | \$ 296,969 | 251,429 | 212,469 |

OPEB plan fiduciary net position: Detailed information about the HCTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Colorado River Board of Cooperative Educational Services
Notes to the Financial Statements
June 30, 2024
(Continued)

V. Other Information

A. Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description: Employees of the BOCES that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan) an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy: The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. There were no PERAPlus 401(k) Plan member contributions from the BOCES for the year ended June 30, 2024.

B. Risk Management

The BOCES is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and error and omissions. The BOCES carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage. For the last three years, settled claims have not exceeded commercial insurance coverage, nor has there been any reduction in insurance coverage.

C. Contingencies

1. Legal Claims

During the normal course of business, the BOCES incurs claims and other assertions against it from various agencies and individuals. Management of the BOCES and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2024.

2. Federal Programs

Funds received from Federal grants are subject to audit and disallowance of ineligible costs. Management of the BOCES feels any potential questioned or disallowed costs or liability arising from the Federal program audits would not materially affect the fairness of the presentation of the financial statements at June 30, 2024.

3. State Programs

The BOCES receives payment for State equalization, State transportation and various other State revenues to fund programs. These grants and programs are subject to audit and may result in the BOCES either refunding amounts due for overpayment or receiving additional revenue for underpayment by the State. These adjustments can be material. The amount of these adjustments cannot be estimated or determined as of the date of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION



Colorado River Board of Cooperative Educational Services
Schedule of Revenues and Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2024
(With Comparative Actual Amounts For the Year Ended June 30, 2023)

| | <u>2024</u> | | | Final Budget Variance Positive (Negative) | <u>2023</u> |
|--|----------------------------|-------------------------|-------------------|--|-------------------|
| | Original Budget | Final Budget | Actual | | Actual |
| Revenues: | | | | | |
| Services provided to Districts | 3,729,790 | 3,962,011 | 3,859,522 | (102,489) | 3,071,438 |
| Federal operating grants and contributions | 2,005,503 | 3,815,020 | 3,320,795 | (494,225) | 2,995,574 |
| State operating grants and contributions | 3,771,916 | 4,192,159 | 4,281,121 | 88,962 | 3,565,054 |
| Intermediate operating grants and contributions | 46,500 | 211,411 | 96,633 | (114,778) | 186,843 |
| Other operating grants and contributions | 289,016 | 323,288 | 370,456 | 47,168 | 439,657 |
| Interest income | 600 | 600 | 2,222 | 1,622 | 752 |
| Miscellaneous | 550,081 | 695,801 | 636,980 | (58,821) | 362,117 |
| Total Revenues | <u>10,393,406</u> | <u>13,200,290</u> | <u>12,567,729</u> | <u>(632,561)</u> | <u>10,621,435</u> |
| Expenditures: | | | | | |
| Direct instruction | 4,226,346 | 5,701,245 | 4,992,208 | 709,037 | 4,033,952 |
| Indirect instruction | 4,534,674 | 5,320,580 | 5,127,844 | 192,736 | 5,366,615 |
| General administration | 568,606 | 590,536 | 764,744 | (174,208) | 663,863 |
| Support services | 763,035 | 757,023 | 965,516 | (208,493) | 885,769 |
| Operations and maintenance | 94,645 | 138,959 | 131,310 | 7,649 | 360,050 |
| Transportation | 218,580 | 221,819 | 202,179 | 19,640 | 207,234 |
| Community service | 20,761 | 33,735 | 30,795 | 2,940 | 34,702 |
| Other | 7,750 | 7,750 | 6,320 | 1,430 | 8,564 |
| Total Expenditures / Expenses | <u>10,434,397</u> | <u>12,771,647</u> | <u>12,220,916</u> | <u>550,731</u> | <u>11,560,749</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (40,991) | 428,643 | 346,813 | (81,830) | (939,314) |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from sale of assets | - | - | - | - | 65,000 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>65,000</u> |
| Reconciliation to GAAP Basis: | | | | | |
| Pension direct distribution - Special funding | | | 17,402 | | 179,470 |
| Pension expense - Special funding | | | (17,402) | | (179,470) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses) - GAAP Basis | | | <u>346,813</u> | | <u>(874,314)</u> |
| Change in Fund Balance / Net Position | <u>(40,991)</u> | <u>428,643</u> | <u>346,813</u> | <u>(81,830)</u> | <u>(874,314)</u> |
| Fund Balance: | | | | | |
| Beginning of the year | | | 1,665,859 | | 2,540,173 |
| End of the year | | | <u>2,012,672</u> | | <u>1,665,859</u> |

The accompanying notes are an integral part of these financial statements.

Colorado River Board of Cooperative Educational Services
Schedule of Revenues and Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
Student Activity Fund
For the Year Ended June 30, 2024
(With Comparative Actual Amounts For the Year Ended June 30, 2023)

| | 2024 | | | 2023 |
|--|---------------------------------|----------------|---|----------------|
| | Original and Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| Revenues: | | | | |
| Student activity fees | - | 76,709 | 76,709 | 65,290 |
| Total Revenues | <u>-</u> | <u>76,709</u> | <u>76,709</u> | <u>65,290</u> |
| Expenditures: | | | | |
| Student activities | - | 119,870 | (119,870) | 73,653 |
| Total Expenditures | <u>-</u> | <u>119,870</u> | <u>(119,870)</u> | <u>73,653</u> |
| Excess (Deficiency) of Revenues Over Expenditures | - | (43,161) | (43,161) | (8,363) |
| Fund Balance / Net Position: | | | | |
| Beginning of the year | | 123,910 | | 132,273 |
| End of the year | | <u>80,749</u> | | <u>123,910</u> |

The accompanying notes are an integral part of these financial statements.

Colorado River Board of Cooperative Educational Services
Schedule of BOCES' Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

| For the year-ended at the measurement date of December 31, | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|
| BOCES' proportion of the net pension liability | 0.0589% | 0.0397% | 0.0400% | 0.0371% | 0.0344% |
| BOCES' proportionate share of the net pension liability | \$ 10,416,492 | \$ 7,222,224 | \$ 4,654,275 | \$ 5,605,450 | \$ 5,141,785 |
| State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the BOCES | \$ 223,502 | \$ 1,629,714 | \$ 478,679 | \$ - | \$ 578,762 |
| Total proportionate share of the net pension liability associated with the BOCES | <u>\$ 10,639,994</u> | <u>\$ 8,851,938</u> | <u>\$ 5,132,954</u> | <u>\$ 5,605,450</u> | <u>\$ 5,720,547</u> |
| BOCES' covered payroll | \$ 3,892,824 | \$ 3,771,692 | \$ 2,499,510 | \$ 2,141,933 | \$ 2,020,166 |
| BOCES' proportionate share of the net pension liability as a percentage of its covered payroll | 267.58% | 191.48% | 186.21% | 261.70% | 254.52% |
| Plan fiduciary net position as a percentage of the total pension liability | 64.74% | 61.79% | 74.86% | 66.99% | 64.52% |
| | | | | | |
| For the year-ended at the measurement date of December 31, | 2018 | 2017 | 2016 | | |
| BOCES' proportion of the net pension liability | 0.0327% | 0.0275% | 0.0223% | | |
| BOCES' proportionate share of the net pension liability | \$ 5,785,336 | \$ 8,878,892 | \$ 6,641,479 | | |
| State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the BOCES | \$ 695,909 | \$ - | \$ - | | |
| Total proportionate share of the net pension liability associated with the BOCES | <u>\$ 6,481,245</u> | <u>\$ 8,878,892</u> | <u>\$ 6,641,479</u> | | |
| BOCES' covered payroll | \$ 1,796,182 | \$ 1,266,598 | \$ 1,001,151 | | |
| BOCES' proportionate share of the net pension liability as a percentage of its covered payroll | 322.09% | 701.00% | 663.38% | | |
| Plan fiduciary net position as a percentage of the total pension liability | 57.01% | 43.96% | 43.13% | | |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2017.

Colorado River Board of Cooperative Educational Services
Schedule of BOCES Pension Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

| Fiscal year-ended June 30, | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contribution | \$ 834,210 | \$ 768,671 | \$ 507,659 | \$ 436,777 | \$ 410,916 |
| Contributions in relation to the contractually required contribution | <u>(834,210)</u> | <u>(768,671)</u> | <u>(507,659)</u> | <u>(436,777)</u> | <u>(410,916)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| BOCES' covered payroll | \$ 4,093,280 | \$ 3,771,692 | \$ 2,519,478 | \$ 2,223,769 | \$ 2,120,311 |
| Contributions as a percentage of covered payroll | 20.38% | 20.38% | 20.15% | 19.64% | 19.38% |
| | | | | | |
| Fiscal year-ended June 30, | <u>2019</u> | <u>2018</u> | <u>2017</u> | | |
| Contractually required contribution | \$ 343,610 | \$ 235,967 | \$ 181,509 | | |
| Contributions in relation to the contractually required contribution | <u>(343,610)</u> | <u>(235,967)</u> | <u>(181,509)</u> | | |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | | |
| BOCES' covered payroll | \$ 1,796,182 | \$ 1,266,598 | \$ 1,001,151 | | |
| Contributions as a percentage of covered payroll | 19.13% | 18.63% | 18.13% | | |

* Information is only available beginning in fiscal year 2017.

Colorado River Board of Cooperative Educational Services
Schedule of BOCES' Proportionate Share of the Net Other Post-Employment Benefit Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

| For the year-ended at the measurement date of December 31, | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-----------------|-----------------|-----------------|-------------|-------------|
| BOCES' proportion of the net OPEB liability | 0.03523% | 0.03012% | 0.02611% | 0.02142% | 0.02247% |
| BOCES' proportionate share of the net OPEB liability | 251,429 | 245,888 | 225,175 | 203,576 | 252,532 |
| BOCES' covered payroll | 3,892,824 | 3,771,692 | 2,499,510 | 2,141,933 | 2,020,166 |
| BOCES' proportionate share of the net OPEB liability as a percentage of its covered payroll | 6.46% | 6.52% | 9.01% | 9.50% | 12.50% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 46.16% | 38.57% | 39.40% | 32.78% | 24.49% |
| For the year-ended at the measurement date of December 31, | 2018 | 2017 | 2016 | | |
| BOCES' proportion of the net OPEB liability | 0.02124% | 0.01560% | 0.01268% | | |
| BOCES' proportionate share of the net OPEB liability | 288,942 | 202,756 | 164,391 | | |
| BOCES' covered payroll | 1,796,182 | 1,266,598 | 1,001,151 | | |
| BOCES' proportionate share of the net OPEB liability as a percentage of its covered payroll | 16.09% | 16.01% | 16.42% | | |
| Plan fiduciary net position as a percentage of the total OPEB liability | 17.03% | 17.53% | 16.72% | | |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2017.

**Colorado River Board of Cooperative Educational Services
Schedule of BOCES Other Post-Employment Benefit Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years ***

| Fiscal year-ended June 30, | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contributions | \$ 41,751 | \$ 38,471 | \$ 25,699 | \$ 22,682 | \$ 21,627 |
| Contributions in relation to the contractually required contribution | <u>\$ (41,751)</u> | <u>\$ (38,471)</u> | <u>\$ (25,699)</u> | <u>\$ (22,682)</u> | <u>\$ (21,627)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| BOCES' covered payroll | \$ 4,093,280 | \$ 3,771,692 | \$ 2,519,478 | \$ 2,223,769 | \$ 2,120,311 |
| Contributions as a percentage of covered payroll | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% |
| | | | | | |
| Fiscal year-ended June 30, | <u>2019</u> | <u>2018</u> | <u>2017</u> | | |
| Contractually required contributions | \$ 18,321 | \$ 12,919 | \$ 10,212 | | |
| Contributions in relation to the contractually required contribution | <u>\$ (18,321)</u> | <u>\$ (12,919)</u> | <u>\$ (10,212)</u> | | |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | | |
| BOCES' covered payroll | \$ 1,796,182 | \$ 1,266,598 | \$ 1,001,151 | | |
| Contributions as a percentage of covered payroll | 1.02% | 1.02% | 1.02% | | |

* Information is only available beginning in fiscal year 2017.

Colorado River Board of Cooperative Educational Services
Notes to Required Supplementary Information
June 30, 2024

I. Schedule of the BOCES' Proportionate Share of the Net Pension Liability

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2022 actuarial valuation:

- There were no changes made to the actuarial methods or assumptions.

2. Changes since the December 31, 2021 actuarial valuation:

- There were no changes made to the actuarial methods or assumptions.

3. Changes since the December 31, 2020 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

4. Changes since the December 31, 2019 actuarial valuation:

- The price inflation assumption was lowered from 2.4% to 2.30%.
- The wage inflation assumption was lowered from 3.5% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

4. Changes since the December 31, 2018 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

Colorado River Board of Cooperative Educational Services
Notes to Required Supplementary Information
June 30, 2024
(Continued)

I. Schedule of BOCES' Proportionate Share of the Net Pension Liability (continued)

A. Changes to assumptions or other inputs (continued)

5. Changes since the December 31, 2017 actuarial valuation:

- The single equivalent interest rate ("SEIR") was increased from 4.78% to 7.25% to reflect the changes to the projection's valuation basis, which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate

6. Changes since the December 31, 2016 actuarial valuation:

- The single equivalent interest rate ("SEIR") was lowered from 5.26% to 4.78% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86% on the prior measurement date to 3.43% on the measurement date.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

II. Notes to the Schedule of BOCES Pension Contributions

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

III. Schedule of the BOCES' Proportionate Share of the OPEB Liability

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit term

No changes during the years presented.

C. Changes of size or composition of population covered by terms

No changes during the years presented.

Colorado River Board of Cooperative Educational Services
Notes to Required Supplementary Information
June 30, 2024
(Continued)

IV. Notes to the Schedule of BOCES OPEB Contributions

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2022 actuarial valuation:

- There were no changes made to the actuarial methods or assumptions.

2. Changes since the December 31, 2021 actuarial valuation:

- The timing of the retirement decrement was adjusted to middle-of-year.

3. Changes since the December 31, 2020 actuarial valuation:

- There were no changes made to the actuarial methods or assumptions.

4. Changes since the December 31, 2019 actuarial valuation:

- Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.A.4 above.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

SUPPLEMENTARY INFORMATION





Colorado Department of Education
Auditors Integrity Report
 District: 9175 - Colorado River BOCES
 Fiscal Year 2023-24
 Colorado School District/BOCES

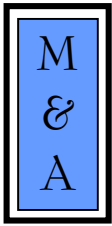
Revenues, Expenditures, & Fund Balance by Fund

| Fund Type & Number | Beg Fund Balance & Prior Per Adj (6880*) | 1000 - 5999 Total Revenues & Other Sources | 0001-0999 Total Expenditures & Other Uses | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance |
|---|--|--|---|---|
| Governmental | + | | - | = |
| 10 General Fund | 1,678,366 | 12,463,262 | 12,211,472 | 1,930,155 |
| 18 Risk Mgmt Sub-Fund of General Fund | 0 | 0 | 0 | 0 |
| 19 Colorado Preschool Program Fund | 0 | 0 | 0 | 0 |
| Sub- Total | 1,678,366 | 12,463,262 | 12,211,472 | 1,930,155 |
| 11 Charter School Fund | 0 | 0 | 0 | 0 |
| 20,26-29 Special Revenue Fund | 0 | 0 | 0 | 0 |
| 06 Supplemental Cap Const, Tech, Main. Fund | 0 | 0 | 0 | 0 |
| 07 Total Program Reserve Fund | 0 | 0 | 0 | 0 |
| 21 Food Service Spec Revenue Fund | 0 | 0 | 0 | 0 |
| 22 Govt Designated-Purpose Grants Fund | 0 | 0 | 0 | 0 |
| 23 Pupil Activity Special Revenue Fund | 123,910 | 76,709 | 118,521 | 82,099 |
| 25 Transportation Fund | 0 | 0 | 0 | 0 |
| 31 Bond Redemption Fund | 0 | 0 | 0 | 0 |
| 39 Certificate of Participation (COP) Debt Service Fund | 0 | 0 | 0 | 0 |
| 41 Building Fund | 0 | 0 | 0 | 0 |
| 42 Special Building Fund | 0 | 0 | 0 | 0 |
| 43 Capital Reserve Capital Projects Fund | 0 | 0 | 0 | 0 |
| 46 Supplemental Cap Const, Tech, Main Fund | 0 | 0 | 0 | 0 |
| Totals | 1,802,276 | 12,539,971 | 12,329,993 | 2,012,254 |
| Proprietary | | | | |
| 50 Other Enterprise Funds | 0 | 0 | 0 | 0 |
| 64 (63) Risk-Related Activity Fund | 0 | 0 | 0 | 0 |
| 60,65-69 Other Internal Service Funds | 0 | 0 | 0 | 0 |
| Totals | 0 | 0 | 0 | 0 |
| Fiduciary | | | | |
| 70 Other Trust and Agency Funds | 0 | 0 | 0 | 0 |
| 72 Private Purpose Trust Fund | 0 | 0 | 0 | 0 |
| 73 Agency Fund | 0 | 0 | 0 | 0 |
| 74 Pupil Activity Agency Fund | 0 | 0 | 0 | 0 |
| 79 GASB 34:Permanent Fund | 0 | 0 | 0 | 0 |
| 85 Foundations | 0 | 0 | 0 | 0 |
| Totals | 0 | 0 | 0 | 0 |

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**REPORTS AND SCHEDULES FOR
REPORTING REQUIREMENTS
OF UNIFORM GUIDANCE**





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**To the Board of Education
Colorado River Board of Cooperative Educational Services
Parachute, CO**

Opinion on Each Major Federal Program

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Colorado River Board of Cooperative Educational Services (the "BOCES") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements and have issued our report thereon dated December 2, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the BOCES' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the BOCES' internal control. Accordingly, we do not express an opinion of the effectiveness of the BOCES' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Colorado River Board of Cooperative Educational Services
Parachute, CO

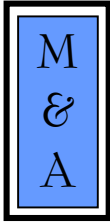
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the BOCES' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the BOCES' internal or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BOCES' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.
McMahan and Associates, L.L.C.
Avon, Colorado
December 2, 2024



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, Avon, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Board of Education
Colorado River Board of Cooperative Educational Services
Parachute, CO**

Opinion on Each Major Federal Program

We have audited Services' (the "BOCES") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the BOCES' major federal programs for the year ended June 30, 2024. The BOCES' major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the BOCES complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the BOCES and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the BOCES' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the BOCES' federal programs.

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PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Colorado River Board of Cooperative Educational Services
Parachute, CO

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the BOCES' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the BOCES' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the BOCES' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the BOCES' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Colorado River Board of Cooperative Educational Services
Parachute, CO

Report on Internal Control Over Compliance (continued)

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based in the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
December 2, 2024

Colorado River Board of Cooperative Educational Services
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Part I: Summary of Auditor's Results

Financial Statements

| | |
|--|------------|
| Type of auditor's report issued | Unmodified |
| Internal control over financial reporting: | |
| Material weakness identified | None noted |
| Significant deficiency identified | None noted |
| Noncompliance material to financial statements noted | None noted |

Federal Awards

| | |
|--|---------------------|
| Internal control over major programs: | |
| Material weakness identified | None noted |
| Significant deficiency identified | None noted |
| Type of auditor's report issued on compliance for major programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200 | No |
| Major programs: | |
| Special Education Cluster | ALN 84.027 / 84.173 |
| Dollar threshold used to identify Type A from Type B programs | \$750,000 |
| Identified as low-risk auditee | Yes |

Part II: Findings Related to Financial Statements

| | |
|--|----------------|
| Findings related to financial statements as required by <i>Government Auditing Standards</i> | None noted |
| Auditor-assigned reference number | Not applicable |

Part III: Findings Related to Federal Awards

| | |
|-----------------------------------|----------------|
| Internal control findings | None noted |
| Compliance findings | None noted |
| Questioned costs | None noted |
| Auditor-assigned reference number | Not applicable |

**Colorado River Board of Cooperative Educational Services
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024**

Note: There were no findings for the fiscal year ended June 30, 2023.

**Colorado River Board of Cooperative Educational Services
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

| <u>Program Title</u> | <u>Federal Assistance Listing Number</u> | <u>Grant Project Code</u> | <u>Expenditures</u> |
|---|--|---------------------------|---------------------|
| U.S Department of Agriculture: | | | |
| Passed through Colorado Department of Education: | | | |
| Child and Adult Care Food Program | 10.558 | 4558 | \$ 6,320 |
| Total Department of Agriculture | | | <u>6,320</u> |
| U.S Department of Education: | | | |
| Passed through Colorado Department of Education: | | | |
| ESSA, Title I, Part A | 84.010 | 5010 | 50,000 |
| Special Education - Grants to States | 84.027 | 4027 | 1,189,664 A |
| <i>Total Special Education - Grants to States</i> | | | <u>1,189,664</u> |
| Special Education - Preschool Grants | 84.173 | 4173 | 33,792 A |
| <i>Total Special Education - Preschool Grants</i> | | | <u>33,792</u> |
| Title IV - Small Rural School Achievement | 84.358 | 4358 | 66,212 |
| Stronger Connections Grant Program (SCG) | 84.424F | 4451 | 18,283 |
| ESF - Governor's Emergency Education Relief Fund II - RISE | 84.425C | 6426 | 29,717 |
| ESF - Elementary and Secondary School Emergency Relief Fund II - 9.5% Set Aside -Supplemental | 84.425D | 4419 | 12,892 |
| ESF - Elementary and Secondary School Emergency Relief Fund II - 9.5% State Set-Aside | 84.425D | 4430 | 29,547 |
| ESF - Elementary and Secondary School Emergency Relief Fund II - Set Aside: On-Line & Blended Learning | 84.425D | 4446 | 164,060 |
| ESF - Governor's Emergency Education Relief Fund II - Online | 84.425R | 6428 | 85,561 |
| ESF - Govern'rs Emergency Education Relief Fund III - Online | 84.425R | 6430 | 219,191 |
| ESF - ARP - Elementary and Secondary School Emergency Relief Fund III - 9.5% State Set-Aside Supplemental | 84.425U | 4418 & 9418 | 73,444 |
| ESF - ARP - Elementary and Secondary School Emergency Relief Fund III - 9.5% State Set-Aside, Rural Coaction | 84.425U | 4429 | 288,569 |
| ESF - ARP - Elementary and Secondary School Emergency Relief Fund III - 9.5% State Set-Aside, Mentoring | 84.425U | 4436 | 78,833 |
| ESF - ARP - Elementary and Secondary School Emergency Relief Fund III - 9.5% State Set-Aside, ELO (Summer) | 84.425U | 4438 | 4,898 |
| ESF - ARP - Elementary and Secondary School Emergency Relief Fund III - 9.5% State Set-Aside, Online Learning | 84.425U | 4447 | 515,296 |
| <i>Total Education Stabilization Fund</i> | | | <u>1,502,008</u> |
| U.S Department of Treasury: | | | |
| Opportunity Now | 21.027 | 7130 | 513,993 |
| Total Department of Treasury | | | <u>513,993</u> |
| Total Expenditures | | | <u>\$ 3,380,272</u> |

Additional Information for Clusters:

| | |
|------------------------------------|--------------|
| A Special Education Cluster | \$ 1,223,456 |
|------------------------------------|--------------|

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Colorado River Board of Cooperative Educational Services and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the general purpose financial statements.

Note 2. Indirect Facilities and Administration Costs

The BOCES has not elected to use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F&A) costs.

Note 3. Sub recipients:

The BOCES had no sub-recipients as of June 30, 2024.